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The Aluminum Situation

ECONOMICS AND STATISTICS — NOVEMBER 1991

INDUSTRY NET SHIPMENTS DOWN 1.6 PERCENT

Preliminary figures for nine months of 1991 indicate that total industry net shipments totaling 11,870 million pounds, decreased 1.6 percent from the nine months 1990 total of 12,057 million pounds. Domestic shipments, totaling 9,607 million pounds, decreased 5.5 percent from the 1990 total of 10,165 million pounds.

U.S. exports of aluminum ingot and mill products totaled 2,262 million pounds during nine months of 1991, increasing 19.6 percent over the nine months 1990 total of 1,891 million pounds. During the same period, U.S. imports totaling 2,311 million pounds, decreased 6.8 percent from the nine months 1990 total of 2,478 million pounds.

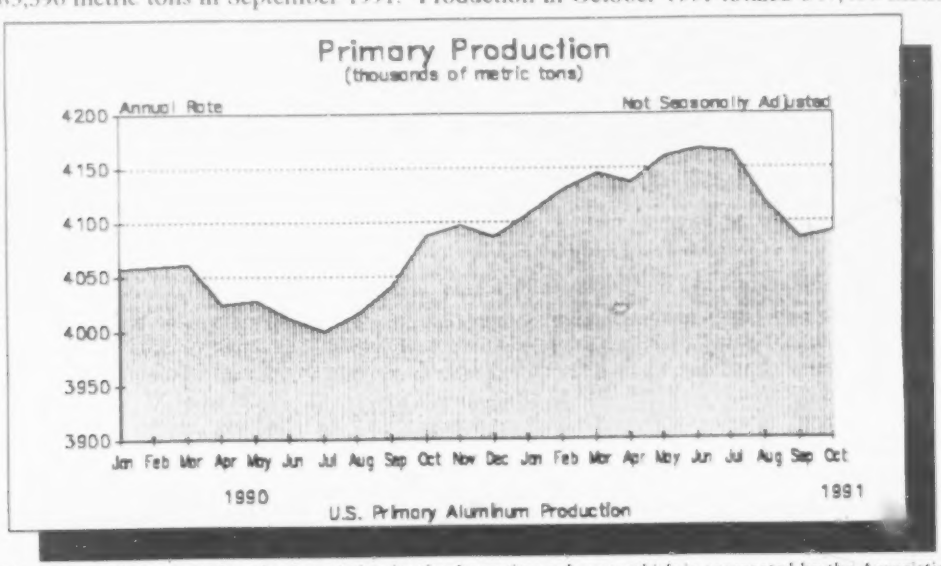
THRU SEPTEMBER 1991

	1991 Nine Mos.	1990 Nine Mos.	% Change
Mill Products	9,414	9,941	-5.3
Ingot	2,456	2,116	16.0
Total	11,870	12,057	-1.6
Less Exports	2,262	1,891	19.6
Domestic Total	9,607	10,165	-5.5

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

SEPTEMBER PRODUCTION AVERAGES 11,209 METRIC TONS PER DAY

U.S. primary aluminum production averaged 11,209 metric tons daily during October 1991. This compares with an average of 11,199 metric tons a day in October 1990 and 11,193 metric tons a day in September 1991. The annual rate of production in October 1991 was 4,091,403 metric tons compared with 4,087,647 metric tons in October 1990 and 4,085,396 metric tons in September 1991. Production in October 1991 totaled 347,489 metric tons.



This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

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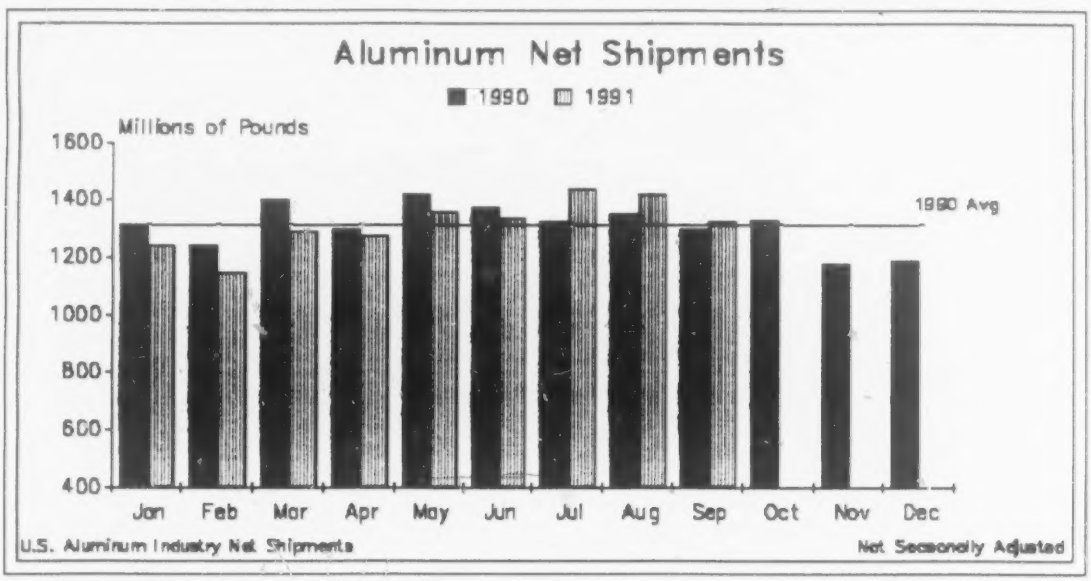
SEPTEMBER SHIPMENTS REPORTED AT 1,330 MILLION POUNDS

According to Bureau of the Census reports, September industry net shipments totaling 1,330 million pounds, decreased 6.6 percent from the previous month's revised total of 1,424 million pounds. Compared to the previous year, reported year-to-date industry net shipments of 11,870 million pounds, declined 1.6 percent from the 1990 total of 12,057 million pounds.

As we reported in last month, the association believes that net ingot shipments, totaling 2,456 million pounds for nine months of 1991, may be substantially overstated because of current industry record keeping methods. Industry shipments to domestic LME warehouses and the resumption of shipments to the national stockpile may be included in net shipments but do not reflect industry demand.

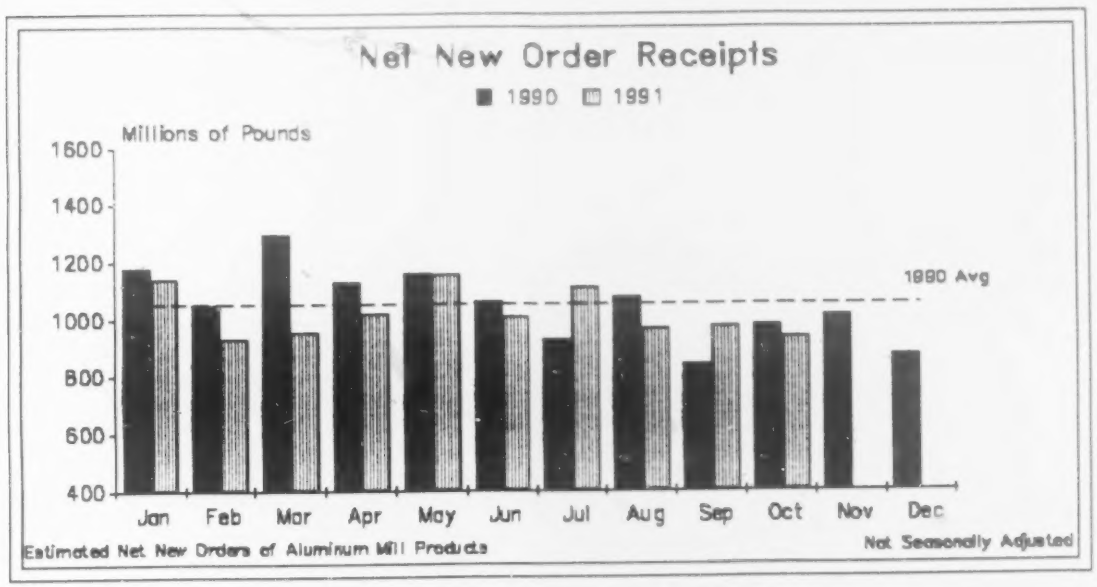


NET SHIPMENTS (Millions of Pounds)	1991 Sept.	1990 Sept.	1991 9 Mos.	1990 9 Mos.	% Change 1991 vs 1990
Sheet	596.9	599.8	5,446.3	5,508.3	-1.1
Plate	20.2	21.6	198.6	208.4	-4.7
Foil	77.3	72.8	633.3	653.3	-3.1
Rod,Bar & Wire	18.1	16.8	178.8	209.7	-14.7
Elec. Conductor	41.8	45.0	424.2	426.2	-0.5
Extruded Shapes,Tube	195.0	203.6	1,734.9	1,977.7	-12.3
Powder & Paste	8.5	8.1	74.8	74.6	0.2
Forgings & Impacts	9.6	11.6	107.3	117.3	-8.5
Imports of Mill Products (Total) (a)	67.6	77.3	616.0	765.0	-19.5
Total Mill Products	1,034.9	1,056.6	9,414.1	9,940.6	-5.3
Ingot	294.6	244.4	2,455.7	2,116.3	16.0
TOTAL INDUSTRY SHIPMENTS	1,329.5	1,301.1	11,869.8	12,056.8	-1.6
Exports	228.4	207.3	2,262.4	1,891.5	19.6
TOTAL DOMESTIC SHIPMENTS	1,101.1	1,093.8	9,607.4	10,165.4	-5.5

Source: Bureau of the Census, U.S. Department of Commerce - CIR M33-D
Note: Cumulative data includes revisions for previous periods
(a) Not included in product data above.

OCTOBER ORDERS DECREASE TO 938 MILLION POUNDS

Estimated net new order receipts of aluminum mill products for October 1991 totaling 938 million pounds, decreased 3.9 percent from the revised September total of 976 million pounds. Orders for Can Stock totaling 193 million pounds, dropped 43.4 percent from the previous month high of 344 million pounds. Year-to-Date, can stock orders of 3,414 million pounds have increased 7.4 percent over the same period of 1990. Total industry order receipts are estimated at 10,214 million pounds, down 4.7 percent from the 1990 total of 10,716 million pounds.



ORDER RECEIPTS (Millions of Pounds)	1991 Oct.	1990 Oct.	1991 10 Mos.	1990 10 Mos.	% Change 1991 vs 1990
Sheet & Plate, Other	337.2	304.2	3,190.3	3,541.5	-9.9
Can Stock (a)	194.8	273.7	3,413.9	3,179.1	7.4
Foil	81.0	91.3	757.1	861.2	-12.1
Bar, Rod & Wire	41.6	49.5	382.7	451.2	-15.2
Electrical Conductor	45.6	46.4	483.1	462.9	4.4
Extruded Shapes & Tube	214.8	182.7	1,780.7	1,982.4	-10.2
Powder & Paste	11.0	12.9	97.6	110.2	-11.4
Forgings & Impacts	11.9	18.1	108.5	127.1	-14.6
Total Mill Products	937.9	978.8	10,213.9	10,715.6	-4.7

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
Note: Cumulative data includes revisions for previous periods.
(a) Domestic only. Orders for exports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES DECLINE 11 MILLION POUNDS

Reported producer inventories continued to decline in September, dropping to a reported total of 3,924 million pounds. This represents a 11 million pound decline from the revised August level of 3,935 million pounds.

Month-End Aluminum Producer Inventories
(Millions of Pounds)

	Total	Ingot	Scrap	All Other
July	3,988	1,445	518	2,025
August	3,935r	1,403r	551r	1,982r
September	3,924	1,460	536	1,928

Source: Bureau of the Census, U.S. Department of Commerce.

CUSTOMER INVENTORIES REPORTED AT 30.9 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of September, 1991 was 30.9, an decrease of 4.6 percent over inventories reported at the end of August.

Month-End Aluminum Customer Inventories
(Average Number of Days)

July	32.0
August	32.4
September	30.9

Source: Aluminum Association - Customer Inventory Position Survey

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U.S. IMPORTS & EXPORTS (Millions of Pounds)		1991 Sept.	1990 Sept.	1991* 9 Mos.	1990 9 Mos.	% Change 1991 vs 1990
Imports	Mill Products	67.6	77.5	616.0	768.3	-19.8
	Ingot	196.9	169.2	1,694.9	1,710.1	-0.9
	Total	264.6	246.7	2,311.0	2,478.4	-6.8
	Scrap (+ dross)	43.6	50.1	363.7	461.4	-21.2
	Grand Total	308.2	296.8	2,674.7	2,939.8	-9.0
Exports	Mill Products	107.7	88.9	985.6	817.9	20.5
	Ingot	120.7	118.4	1,276.7	1,073.6	18.9
	Total	228.4	207.3	2,262.4	1,891.5	19.6
	Scrap	64.2	101.3	854.7	817.1	4.6
	Grand Total	292.6	308.5	3,117.1	2,708.6	15.1
Net Imports		15.6	-11.7	-442.4	231.2	-291.4

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Cumulative data may include revisions for previous periods